E-people and New Economy
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Working in e-business obliges us to reconsider the principal people management systems: retribution and incentives, flow of people and design of the post of employment.

Retribution systems and incentives

The most immediate consequence of e-business on the retribution systems is a greater transparency. Those companies based on open-book management, a transparent style of management, have the possibility to offer this transparency to their employees. The increase in confidence which this implies between employees and management demands, by way of counterbalance, greater accuracy in the calculation of the internal and external equity of the retribution packets.

We need to add to this the increase in software packages available for retribution management. Previously, the difficulties in handling information formed an almost insurmountable obstacle which prevented the said information from being within everybody's reach. Today, on the other hand, we need to deliberately place obstacles in order to conserve the confidentiality of the information.

Another consequence of the entry of the CITs on the calculation of retributions is the possibility to offer retributions on an individual basis. Here the employee can choose different combinations in accordance with his fiscal or personal conditions. A young person will be more likely to obtain a credit friendly mortgage, whilst an older person will prefer a pension scheme. This is related to the e-people profile, which is more orientated towards results and better understands the meaning of variable retribution. What is more, it is highly likely that directors will demand it, since they are much better informed, and in real-time, of the consequences of their acts. All the variable retribution systems, including stock options, shall be more greatly used.

This remuneration in accordance with competences and results is going to create a new pact between the company and the worker. Faults, which are undoubtedly due to improvisation, have already been detected in Spanish e-businesses in their introduction of variable retribution plans. The employees are not sure how they are to be assessed. This produces uncertainty and unease among workers and directors, so generating a lack of trust which will in turn bring an increase in rotation.

People Flow System: To Attract and Retain Talent

The recruitment and selection processes are the first stages in the people flow system. The selection of staff is one of the key factors to the success or failure of an e-business plan. And a fundamental part of this success will depend on the director, who ought to
fully understand the characteristics of this new way of working in order to correctly choose his team of collaborators.

The recruitment system is going to become more net-orientated due to the CITs. This is a fact, although the staff selection portals still need to improve in order to make their handling and use by people searching for work easier. According to Computer Economics, the increase in CVs sent over the net has gone from 1.35 million in 1997 to 4.90 million in 1999 and is expected to reach 16.35 million in 2002.

Once the employees have been recruited and selected, their period of training and development begins. Training programmes ought to be orientated towards technical aspects, but also towards social and personal aspects. One of the characteristics of e-people is the constant need to recycle knowledge. Demands for knowledge will be enormous, and ought to be provided by the organisation. If this is not the case, the employees, the real e-business players, will prefer other companies which can ensure them their future employment.

Given the speed of change, competition takes place not only within the structure of the company, with horizontal or circular movements, but also between companies in a same geographical area or economic sector. One of the functions of those in charge of human resources shall be to monitor the external careers of former or future collaborators.

**The System to Design the Post of Employment**

The design of the post of employment, both physically and with regards to relational aspects, is highly important in order to maintain productivity, motivation and identification of the employee with the company. E-business employees demand a higher quality working life.

E-business companies are characterised by a tendency towards less hierarchical operational structures. The need to generate new flexible ideas brings forth this type of structures. These structures need the managers, who can see a reduction in their ability to control, to show more management and leadership ability.

On the other hand, this kind of organisation produces a singular effect on the careers of the employees, since they have the sensation that there is a lack of professional progress given the impossibility to ascend through the hierarchical pyramid. This consequence may lead to frustration and even insecurity. The design of a polyvalent post with horizontal development may go some way to solving this problem.

This, in our opinion, is a synthesis of the wide panorama faced by those in charge of managing people in e-business.